Bluetooth - which is well known and well specified for everyone to understand and use. (3) Examiner is unable to find structure that controls "privacy". Applicants have made this argument moot. (4) Examiner believes the limitation "interface coupled to said public wide area network" in claim 2 to already be present in claim 1. Applicants have amended the claims to clear any ambiguity. (5) Examiner believes there is no antecedent basis for "transceiver" in claim 2. Applicants have amended the claims to correct for any lack of antecedent basis. (6) Examiner believes there to be no antecedent basis for "said signal" in claim 2. Applicants have amended the claims to correct for any lack of antecedent basis.

Examiner has rejected pending claims 1-5 under 35 U.S.C. 103(a) as being unpatentable over USP 5,420,606 to Begum et al. ("Begum") in view of USP 5,905,246 to Fajkowski ("Fajkowski"). A rejection under §103(a) requires that "...the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains..." 35 U.S.C. 103(a). In determining the scope and content of the prior art and in ascertaining the differences in the prior art and the claimed invention, the limitations stated in Applicant's claims must be recognized. To establish a *prima facie* case of obviousness of a claimed invention, all of the words in a claim must be considered and all of the claim limitations must be taught or suggested by the prior art. MPEP 2143.03. If limitations found in Applicants' claims are not found in the references, taken alone or in combination, Examiner has not met the burden of a showing of a *prima facie* case of obviousness and the §103 rejection is improper. Examiner has not met this burden.

Considering Begum first, Begum discloses an in-store [col. 2, line 6] electronic couponing system in which a communication unit (14) is provided a plurality of coupons, which the user may display on a display screen and select through a control. The user-selected coupon may be wirelessly transmitted to an electronic coupon interface unit (45) at check out such that the coupon discount is automatically deducted from the purchase total. See col. 2, lines 5-47. The coupon and deduction information is relayed to a coupon redemption file in the store's main computer (49) and to a systems controller (50).

Periodically, the systems controller (50) communicates with a coupon redemption center computer for coupon crediting and accounting. See col. 5, lines 19-39. Applicants observe that this communication may take place over "...an outside communications link such as a modem for communication with a regional or national network. In this manner, *editing, accounting and monitoring of systems performance can be done* locally at the store site, or remotely from a regional or national center where promotionals are solicited and display graphics are created." Col. 3, lines 37-43 (emphasis added). Following the check-out procedure, the coupon file in the communication unit (14) is cleared. Col. 5, lines 1-5. In an alternative embodiment, the communication unit (14) is provided a transceiver so that it may receive data and be loaded with coupon information remotely. See col. 5, lines 40-44.

Examiner argues that one would have been motivated to use a wide area network to eliminate the need for Begum's system owner to develop its own private network. Begum explicitly discloses several economic ways of periodically communicating with the coupon redemption center (radio or microwave transmitter, or low cost telephone modem). Given these alternatives, which were perfectly satisfactory for the periodic point-to-point communication envisioned by Begum, there is no motivation to look for solutions and develop the software needed to introduce an Internet connection between Begum's systems controller and coupon redemption center.

Claim 1, as amended, requires that a coupon service provider be coupled to a plurality of merchants and to the Internet to accept a coupon parameter from one of the merchants and to create an electronic coupon from it. Significantly, Begum discloses only an in-store system. Since Applicant's coupon service provider must be coupled to a plurality of merchants, the only similar apparatus disclosed by Begum is a "regional or national network" [col. 3, line 38], which is presumably the same as Begum's "coupon redemption center" [col. 5, line 32]. Begum's coupon redemption center communicates with Begum's store systems controller (50), which periodically communicates with the coupon redemption center computer for coupon crediting and accounting. Col. 5, lines 19-39. There is no teaching or suggestion that the coupon redemption center or a

regional or national network is (i) coupled to a plurality of merchants, (ii) coupled to the Internet, (iii) accepts coupon parameters, or (iv) creates electronic coupons.

Claim 1, as amended, requires that the wireless network be coupled to the coupon service provider via the Internet and to at least one wireless communication unit so that the electronic coupon can be transmitted to the wireless communication unit. Begum teaches that a portable communication unit (14) can have a wireless communicator (38) [col. 5, lines 40-42], which receives "locationally specific product coupon data and product control data" [col. 6, lines 20-21] from a message sending unit (58). The message sending unit, itself, receives locationally specific data from the storewide systems controller (50). Col. 5, lines 63-66. While Begum suggests a wireless network consisting of message sending units (58) that deliver coupons to the communication unit (14), there is no teaching or suggestion that Begum's network is coupled to the Internet, rather, the storewide systems controller (50) appears only to wirelessly couple to the message sending unit. See Figs. 1 and 2 and col. 5, lines 63-66. Since Begum's system is only storewide, the possible use of the worldwide reach of the Internet is contraindicated by Begum's own teaching.

Claim 1, as amended, also requires that the first merchant includes a short range wireless receiver that is coupled to the wireless communication unit to receive the tender of the electronic coupon, a redemption device that is coupled to the short range wireless receiver to determine a first validity of the tender, and interface circuitry that is coupled to the coupon service provider via the Internet to convey coupon information and receive a second validity. Begum's disclosure is that of an in-store system that does not include a coupling to the Internet. Begum's occasional exchange with its coupon redemption center for coupon crediting and accounting is via radio, microwave transmitter, or low cost telephone modem and does not disclose or suggest an Internet connection. See col. 5, lines 31-39. Moreover, Begum's coupon redemption center does not use a memory or a controller to compare a stored coupon parameter to coupon information received from the first merchant's interface circuitry or to convey a second validity back to the first merchant's interface circuitry.

Examiner's argument that Begum's coupons are transmitted to the regional or national network does not capture the claimed structure and linkage claimed in Applicants' claim 1. Begum's regional/national network/coupon redemption center only communicates periodically and only for coupon crediting and accounting. Begum reinforces this by noting that the crediting and accounting is for *redeemed* coupons [col. 5, lines 38-39], not present tense to *redeem* coupons. Note that Applicants' claimed apparatus requires a memory and controller at the coupon service provider to provide the second validity.

Next, consider the disclosure of Fajkowski. Fajkowski discloses a system and apparatus that electronically reads and stores bar codes from paper coupons (and elsewhere) and electronically presents the bar codes for redemption. Col. 1, lines 9-14. A portable coupon card, for use by a user. includes a bar code scanner, a memory, a display, a communications port, a microprocessor, and operational keys. Col. 3, lines 55-60. The user is able to scan paper bar codes into the coupon card for storage and organization. Col. 4, lines 7-11. A retail store is outfitted with a periphery device alongside its cash register to accept the coupon card, read the coupon bar codes, receive data from the cash register indicating which products were purchased, and determine which coupons are redeemable. Col. 4, lines 15-33. A retail local server may be networked into a plurality of periphery devices to *compile* information concerning which coupons have been redeemed and to create detailed reports for store managers. The server may also transfer information relating to future coupons or changes to the periphery devices for subsequent loading onto the user's portable coupon card. Col. 4, line 65 - col. 5, line 14. A clearinghouse receives information on redeemed coupons from the retailer's server and generates reports for the manufacturer regarding amounts to be paid the retail store for the redeemed coupons. The clearing house may also provide coupon information and changes to the server for eventual loading onto a user's portable coupon card. Col. 5, lines 14-65. In addition to the periphery device, coupon information may be presented to a user's portable coupon card by: a) paper bar codes, b) distribution to conventional computers via the Internet (and subsequent magnetic writing

to the coupon card), c) telephone lines, and d) radio frequency transmission to a receiver, for example a digital pager. Col. 6, lines 1-65.

Fajkowski includes a fraud prevention technique to reduce intentional *retailer* misredemption to increase retailer profits. The retailer is required to provide appropriate invoices to support coupon submissions. If the retailer does not, the retailer is placed on a suspend list by the manufacturer. Col. 3, lines 16-34 (emphasis added). Redeemed coupon data collected by the local server from the periphery devices are used to create redemption reports for the retailer (to detect fraud at a particular periphery device) but such data are securely stored so that the retailer cannot access or alter the data. Col. 22, lines 15-27. The server communicates redeemed coupon data to the clearinghouse, where it is compiled into a report of the total amount of redemptions per store and a report of the amounts owed by the manufacturer. Col. 23, lines 6-32. The clearinghouse may also transmit future coupons to the server. Col. 23, lines 54-64.

Claim 1, as amended, requires that a coupon service provider be coupled to a plurality of merchants and to the Internet to accept a coupon parameter from one of the merchants and creates an electronic coupon from it. Fajkowski does not disclose a first merchant coupon parameter or an Internet coupling from Fajkowski's retailers to Fajkowski's clearinghouse that carries such a coupon parameter.

Claim 1, as amended, requires that a wireless network be coupled to the coupon service provider via the Internet and to at least one wireless communication unit so that the electronic coupon can be transmitted to the wireless communication unit. Fajkowski discloses four ways (other than the conventional "free standing inserts") of providing coupons to users: 1) a coupon dispenser located in a retail store, 2) Internet distribution to the disk drive of a conventional printer and an adaptor that loads the coupon information onto a magnetic stripe of Fajkowski's coupon card, 3) telephone line dial-up and coupon information transfer to the coupon card, and 4) a pager radio receiver that would receive user-preselected coupons from a broadcast signal and store them in the coupon card memory. See col. 6, line 1- col. 7, line 3; col. 32, lines 8-26; Fig. 5. Fajkowski does not disclose an Internet coupling between Fajkowski's pager wireless network and Fajkowski's clearinghouse.

Claim 1, as amended, requires a short range wireless receiver at the first merchant and interface circuitry to convey coupon information to the coupon service provider and receive second validity from the coupon service provider. Fajkowski does not disclose such a short range wireless receiver apparatus. Fajkowski discloses a server that communicates historical, redeemed coupon data to the clearinghouse, where it is compiled into a report of the total amount of redemptions per store and a report of the amounts owed by the manufacturer. The clearinghouse may also transmit future coupons to the server. No second validity is disclosed by Fajkowski. Again, Examiner's argument that Fajkowski's clearinghouse suggests the structure claimed by Applicants fails because Fajkowski, like Begum, receives historical coupon data and Fajkowski massages the historical data into reports and profiles. This is not the approval provided by the coupon service provider of Applicants' claim 1.

Claim 1, as amended, requires a memory and controller at the coupon service provider and a second validity that is conveyed back to the first merchant interface circuitry. Fajkowski does not disclose equivalent memory and controller apparatus.

In view of the foregoing, it is clear that Begum and Fajkowski taken alone do not disclose or suggest the present invention as claimed in amended claim 1. In combination, the missing disclosure elements of Begum (at least (i) a coupon service provider coupled to a plurality of merchants via the Internet, accepting a coupon parameter, creating a coupon, a memory and controller that accepts coupon information for comparison with the stored coupon parameter and convey a second validity to the merchant interface circuitry; (ii) a wireless network coupled to the Internet and to the coupon service provider thereby; (iii) a first merchant generating a coupon parameter and including a redemption device that determines a first validity of a user's tender of an electronic coupon and interface circuitry coupled to the Internet to convey coupon information to and receive a second validity from the coupon service provider) are not supplemented by Fajkowski (which does not disclose at least (i) a coupon service provider coupled to a plurality of merchants via the Internet, accepting a coupon parameter, creating a coupon, a memory and controller that accepts coupon information for comparison with the stored coupon parameter and convey a second validity to the merchant interface circuitry; (ii) a

wireless network coupled to the Internet and to the coupon service provider thereby; (iii) a first merchant generating a coupon parameter and including a redemption device that determines a first validity of a user's tender of an electronic coupon and interface circuitry coupled to the Internet to convey coupon information to and receive a second validity from the coupon service provider). Thus, even when combined (and Applicant does not agree that such combination has been shown to be proper) the teachings of Begum and Fajkowski do not disclose or suggest claim 1 (as amended) of the present Application.

Therefore, since at least three major elements of Applicants' claim 1 are missing from the cited references, the *prima facie* case of obviousness has not been made and the rejection under §103 is improper.

Claims 2 and 3 are dependent upon presumed allowable claim 1.

New claims 24-33 are believed to be allowable over the applied references for the same reasons provided above relative to claims 1-3.

In conclusion, Applicants have amended the claims to correct for any deficiencies relating to Examiner's objections and §112 rejections. Applicants have amended claims 1-3 and have shown that the amended claims of the present Application are now allowable. Applicants respectfully request that the rejection of claims 1-3 under Examiner's objection and 35 U.S.C. 103(a) and 35 USC 112, second paragraph be withdrawn and the present Application, as now amended and including new claims 24-33, be passed to allowance.

Respectfully Submitted,

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